THE IMPORTANCE OF IRANIAN AND MIDDLE EAST OIL. TO WESTERN EUROPE UNDER PEACETIME CONDITIONS

I. The Problem:

To estimate the importance of (a) Iranian oil production and (b) total Middle East oil production to Western Europe in time of peace.

II. Assumptions:

That access to (a) Iranian oil production, and (b) total Middle East oil production is denied to the Western Powers by means other than war.

- III. Discussion: (See Enclosure A.)
- IV. Tables: (See Enclosure B.)

V. Conclusions:

- 1. The amount of crude oil and refined products now exported from Iran could be derived from other areas by small increases in crude production and by fuller use of available refining capacity. At the rates of consumption and levels of prices prevailing at the end of 1950, the extra annual dollar charge to Europe of procuring this amount of oil elsewhere would be about \$700,000,000.*
- 2. Loss of Iranian oil production and of the refinery at Abadan would temporarily have an adverse effect upon Western European economic activity, and would impose severe financial losses particularly upon the British, who control all the oil production of the country. Although the effect of the loss of Iran on the volume of petroleum which could be made available to Western Europe might be overcome in a relatively short time by developing reserves and building refineries elsewhere, the financial effects would be overcome slowly, if at all.

This paper has been prepared in response to a request from the Senior Staff of the National Security Council.

^{*}Figures in this paper representing estimates of extra annual dollar costs and of the extent of oil shortages which would result from a loss of Iranian or Middle Eastern oil are indicative rather than exact. They will hold true as given only as long as oil prices stay at the levels of late 1950, and oil production and consumption continue at the rates currently estimated for the fiscal year 1950-51. The general effect of the rearmament programs in the US and in Western Europe will presumably be to raise the consumption of oil, and probably also to raise its price. These factors would tend to make the oil of the Middle East more important to the western economies, and to cause its loss to be even more severely felt than is indicated by the figures cited in this paper.

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- 3. If all Middle East oil production were to be lost, a cutback of about 10 percent in the total oil consumption of the non-Soviet world would have to be imposed, even after a maximum practicable increase of production from other sources. This would call for substantial rationing in the United States as well as elsewhere. International allocation would be required. At the price level of late 1950 a net increase in dollar requirements of from \$1 to \$1.2 billion would occur if Western Europe, after a cutback of 10 percent in its consumption, were to procure from alternative sources an amount of oil sufficient to make up for the loss of Middle East imports.
- 4. It is estimated that if a cutback of 10 percent from present levels of oil consumption were imposed on Western Europe, it would permit maintenance of industrial production at approximately the levels of late 1950, and of transportation at the extreme minimum necessary for that purpose. No appreciable expansion of industry, whether for normal economic development or for rearmament, would be possible. Rationing even to reduce consumption by 10 percent would present great difficulties in time of peace.
- 5. No way can be foreseen at present by which a satisfactory adjustment, over a longer period of time, could be made to the total loss of Middle East oil, unless new reserves are proved elsewhere, or new sources of energy developed.

 Western Europe therefore would not be able to compensate for the loss of Middle East oil save by profound changes in its currently planned economic structure.

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ENCLOSURE A

DISCUSSION

- 1. Total petroleum requirements of Western Europe (including the UK) for the fiscal year 1950-51 are estimated at 66 million metric tons, of which 42.5 million will be imported as crude and 20 million as refined products; the remaining 3.5 million tons will be derived from indigenous sources. Of the total import requirements, 43.8 million metric tons, representing 70 percent, will come from the Middle East. In addition, international bunkers of 6 million tons and US military supplies aggregating approximately 2.5 million metric tons will be lifted in the Middle East area.
- 2. Of the total requirements of Western Europe, it is estimated that Iran alone will supply the following:

Millions of Metric Tons

Crude Cil	Percent of WE Requirements
7	16
Refined Products	
6.3 (including British Wilitary)	31
Bunkars	
4	67

3. It is estimated likewise that of total Western European requirements, the entire Middle East area will supply the following:

Millions of Metric Tons

Crude Cil	Percent of WE Requirements
38	90
Refined Products	
8.3	40
Bunkers	
6	100

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Loss of Iranian Production

- 4. If Iranian oil should cease to be available, the seven million metric tons of crude oil by which Western Europe would thereby fall short (according to the 1950-51 estimates) could be more than made up by increasing the output of British companies operating elsewhere in the world. Indeed it could all be replaced, at some additional dollar cost, from the other producing areas of the Middle East. Replacement for the balance of Iran's crude oil output (that processed at Abadan) could also be obtained outside the Soviet sphere by releasing shut-in production and by more rapid drilling of known reserves.
- 5. Loss of the Abadan refinery, with its capacity of 27 million metric tons per year, would call for much more difficult adjustments than would the loss of Iran-lan crude oil output. There is now in the non-Soviet world, outside Iran, enough refining capacity to process an additional amount of crude equal to that now going through the Abadan plant. If Abadan were lost, however, at least six months would be required to place marginal plants in operation, to change the composition of refinery output, to alter tanker routings, and to complete the redistribution of crude oil among the other refineries.
- 6. To acquire from other sources the amounts of crude oil and refined products which Western Europe now imports in one year from Iran would involve an extra dollar expenditure of about \$700,000,000, assuming the level of prices remained the same as that prevailing at the end of 1950.
- 7. Loss of Iranian oil production and of the refinery at Abadan would temporarily have an adverse effect upon Western European economic activity, and would impose severe financial losses particularly upon the British, who control all the oil production in the country. Although the effect of the loss of Iran upon the volume of petroleum which could be made available to Western Europe might be overcome in a relatively short time by developing reserves and building refineries elsewhere, the financial effects would be overcome slowly, if at all.

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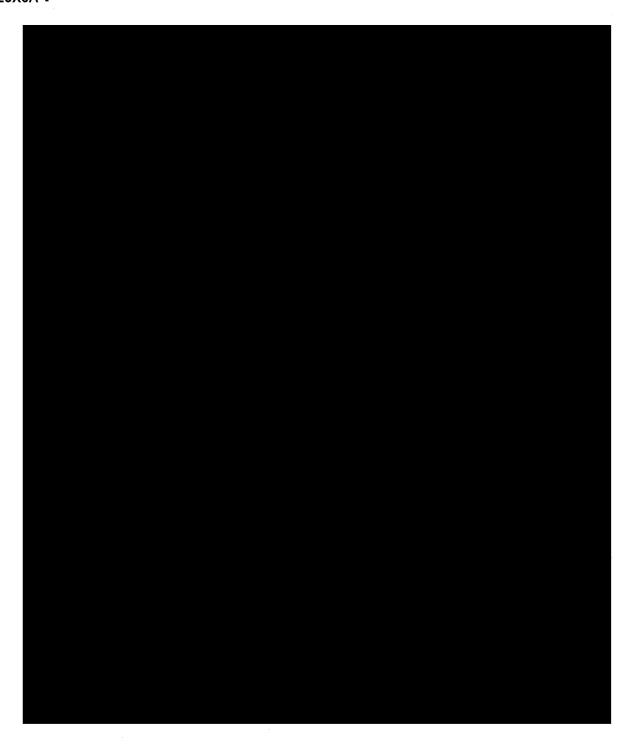
- 8. The loss of all Middle East oil production would reduce the current supply of crude oil in the non-Soviet world by about 93 million metric tons per year. By increasing production to the greatest degree feasible in areas still accessible, this shortage could be reduced to about 53 million metric tons, which is equivalent to about 10 percent of estimated 1950-51 total oil consumption in the non-Soviet world. Sufficient refining capacity would be available to process the reduced total supply of crude, but the problems of readjustment and allocation mentioned in paragraph 5 above would, of course, be greater, and the time required to carry them out would be longer.
- 9. The maximum cutback in Western European oil consumption which would still permit maintenance of industrial production at approximately the levels of late 1950, and of transportation at the extreme minimum necessary for that purpose, is estimated to be about 10 percent. Such a cutback would permit no appreciable expansion of industry, whether for normal economic development or for purposes of rearmament, and it would cover only about 6.6 million metric tons out of the total deficiency of 53 million. Hence it is clear that even if Western Europe were restricted to less than 90 percent of its estimated 1950-51 consumption, the loss of all Middle East oil would make substantial rationing necessary in the United States. Despite the fact that the US is virtually self-sufficient in oil production, it would have to cut its consumption by at least 10 percent. International allocation would immediately become necessary.
- 10. At the price level of late 1950 a net increase in dollar requirements of from \$1 to \$1.2 billion would occur if Western Europe, after a cutback of 10 percent in its consumption, were to procure from alternative sources an amount of oil sufficient to make up for the loss of Middle East imports.
- 11. No way can be foreseen at present by which a satisfactory adjustment, over a longer period of time, could be made to the total loss of Middle East oil, unless new reserves are proved elsewhere, or new sources of energy developed. Though the Middle East now contributes only 18.4 percent of total non-Soviet production, it contains 44.4 percent of proved reserves outside the Soviet orbit. A very large pro-

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portion of the presently contemplated increase in non-Soviet oil supply is expected to come from the Middle East. Western Europe, therefore, would not be able to compensate for the loss of Middle East oil save by profound changes in its currently 25X6A planned economic structure.



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ENCLOSURE B

Table	la.	Estimated Imports of Crude Oil and Refined Products into
		CENC Countries 1950-1951.
Table	1B.	Estimated International Bunker Liftings (Refined Products)
		in the Persian Culf Area.
Table	II.	Control of World Crude Reserves 1950-1951.
Table	III.	Ownership of World Crude Production 1950-1951.
Table	IV.	Ownership of World Refining Capacity 1950-1951.
lable	V.	Loss of Iranian Oil.
Table	VI.	Loss of All Middle East Oil.

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ENCLOSURE B

TABLE 1A

ESTIMATED IMPORTS OF CRUDE OIL AND REFINED PRODUCTS INTO OEEC COUNTRIES 1950-51

From

		1,000	MT/Y	O 2 -	D- 2 1	5
Eastern Hemisphere	Crude	Products	<u>Total</u>	Crude <u>Percent</u>	Products Percent	Total <u>Percent</u>
Middle East (Includes US milit	38 ,065 ery)	ક ,321	46,386	89 .69	41.39	74.16
Other	- Martin de California de Cali	100	100	Mille Live Help Windowskie Help		.16
Total	38,065	8,421	46,486	89.69	41.89	74.32
Western Hemisphere						
USA	150	1,850	2,000	. 35	9.20	3.20
Caribbean	4,067	9,604	13,671	9 .5 8	47.77	21.86
Other	<u>160</u>	230	<u>390</u>		1.14	62
The second secon	4,377	11,684	16,061	10.31	58.11	25.68
GRAND TOTAL	42,442	20,105	62,547	100.00	100.00	100.00

TABLE 1B

ESTIMATED INTERNATIONAL BUNKEL LIFTINGS (KEFINED PRODUCTS) IN THE PELSIAN GULF AKEA

1950 - 1951

	1.000 MT/Y	<u>Percent</u>
From Iran	.4,000	66.67
From Other Middle Cast	2,000	<u> 33.33</u>
Total	6,000	100.00

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9,987,972

TABLE II

CONTROL OF WORLD CRUDE RESERVES

1950-1951

			25X6A					
Area	United Sta 1000 MT	ates %		ž	1000 MT	ъ	Total 1000 MT	% World Total
Eastern Hemisphere								•
Middle East								
Traq	170,445	23.7		52. 6	170,445	23.7	719,178	7.2
Kuwait	753,424	50.0		50.0	Procession	***	1,506,849	15.1
Saudi Arabia	1,232,877	100.0		acressa	Wilderman	wheeles	1,232,877	12.3
Îran	droste	otion-ab-		100.0	stallerede	****	958,904	9.6
Bahrein	military is.	and the same of th		100.0	STATE - AND THE STATE OF THE ST	Opposition.	21,917	2
Total	2,156,746	Miringap		***	170,445	23.7	4,439,725	. 44.4
East Indies Islands	62,172	31.3		68.7	nuserille.	**************************************	198,631	₹.0
OEEC Countries	5.834	20.0		25.0	16.044	55.0	29,171	3
Total	68,006	en esp		Subtracts.	16,044	un dir.	227,802	***
Western Hemisphere								
115 x 200 A								
Carribbean Exporting Areas	888,865	61.5		38.1	5.781	0.4	1,445,309	14.5
Total	4,602,427	in Commission		terres.	122,219	-	5,275,309	
Other	gan vas.	as conse		994-995-	nakari ja	1.4	45,136	.5

TOTAL WORLD

OWNERSHIP OF WOILD CRUDE PRODUCTION 1950-1951

3.

		d States		Othe			tal
Area	1000 MT	Percent		1000 MT	Percent	1000 MT	Percent World To
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estern Hemisphere							
Middle East							
Iraq	1,720	23.7		1,720	23.7	7,250	1,44
Kuwait	9,500	50°0		**	-	19,000	3.77
Saudi Arabia	29,750	100.0			100	25,750	5.91
Iran	**				_	35,000	6.95
etar	476	23.8		476	23 . 8		
Bahrein					ی رے	2,000	.40
Total	41,446	AND:		2 30/		1,500	30
10181	41.9440			2,196		94,500	18,77
East Indies Islands	2 250	27.5				30 000	2.12
	3,350	31.3		***************	~~ ^	10,700	2.13
OEEC Countries	538	20,0		1,563	55.0	2,782	.5 5
Total	3,888			1,563		13,482	
· SEVCA							
stern 25X6Mere							
שוישים-							
Carribbeen Exporting							
		67 #		200	A 4	de ree	al bak hetare
Areas	55,055	61.5		327	0.4	85.490	17.77
Total	343,805			10,327		388,240	
Other					• •	PO 414	~
Other	NAS-	AL.		Rate .	1,4	$\frac{7,110}{502,222}$	1.41
Total World						503,332	
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	OWN.	Intollia (T	3	PACITY			
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tour will are also stated as a superior of the state of t	1000 MT		, c.			1000 MT	Percent
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estern Hemisphere 2 5%GA East Kuwait	625	Porcent 50.00				1000 MT 800 1,250	Percent World T
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Astern Hemisphere 25%GA East Kuwait Saudi Arabia Abadan Tripoli	625 6,500	Forcent 50.00 100.00 23.75				800 1,250 6,500 27,500 600	.02 .25 1.30 5.52
Astern Hemisphere 25%6A East Kuwait Saudi Arabia Abadan Tripoli Fahrein	625 6,500 142 8,000	Forcent 50.00 100.00		1000 MT	Percent	800 1,250 6,500 27,500 600 8,000	.02 .25 1.30 5.52
Astern Hemisphere 25KGA East Kuwait Saudi Arabia Abadan Tripoli	625 6,500	Forcent 50.00 100.00 23.75		1000 MT	Percent	800 1,250 6,500 27,500 600	.02 .25 1.30 5.52
Kuwait Seudi Arebia Abrden Tripoli Rahrein Total	625 6,500 142 8,000 15,267	50.00 100.00 23.75 100.00		1000 MT	Percent	800 1,250 6,500 27,500 600 8,000 44,650	.02 .25 1.30 5.52 .01
Estern Hemisphere 25%6A Esst Kuwait Ssudi Arabia Abrdan Tripoli Fahrein Total East Indies Islands	625 6,500 142 8,000	50.00 100.00 23.75 100.00		1000 MT	Percent	800 1,250 6,500 27,500 600 8,000 44,650	.02 .25 1.30 5.52 .01 1.61
Estern Hemisphere 25%6A Esst Kuwait Ssudi Arabia Abrdan Tripoli Fahrein Total East Indies Islands	625 6,500 142 8,000 15,267	50.00 100.00 23.75 100.00		1000 MT	Percent	800 1,250 6,500 27,500 600 8,000 44,650	.02 .25 1.30 5.52 .01 1.61
Estern Hemisphere 25%6A Esst Kuwait Seudi Arabia Abrdan Tripoli Pahrein Total East Indies Islands 25%6A & Esst Asia	625 6,500 142 8,000 15,267 3,200	50.00 100.00 23.75 100.00		1000 MT	Percent	800 1,250 6,500 27,500 600 8,000 44,650 10,100 2,500	.02 .25 1.30 5.52 .01 1.61
Kuwait Studi Arabia Abrdan Tripoli Rahrein Total East Indies Islands 25%GA & East Asia	625 6,500 142 8,000 15,267 3,200	50.00 100.00 23.75 100.00		1000 MT	Percent	800 1,250 6,500 27,500 600 8,000 44,650 10,100 2,500	.02 .25 1.30 5.52 .01 1.61 2.03 .50
Eastern Hemisphere 25%GA East Kuwait Saudi Arabia Abadan Tripoli Rahrein Total East Indies Islands 25%GA & East Asia	625 6,500 142 8,000 15,267 3,200	50.00 100.00 23.75 100.00		1000 MT	Percent	800 1,250 6,500 27,500 600 8,000 44,650 10,100 2,500 3,450 44,429	.02 .25 1.30 5.52 .01 1.61 2.03 .50
Eastern Hemisphere 25%6A East Kuwait Saudi Arabia Abrdan Tripoli Rahrein Total East Indies Islands 25%6A & East Asia	625 6,500 142 8,000 15,267 3,200	50.00 100.00 23.75 100.00		1000 MT	Percent	800 1,250 6,500 27,500 600 8,000 44,650 10,100 2,500	.02 .25 1.30 5.52 .01 1.61 2.03 .50
Kuwait Saudi Arabia Abadan Tripoli Rahrein Total East Indies Islands 25%GA & East Asia Mortnern Airica & Spi	625 6,500 142 8,000 15,267 3,200	50.00 100.00 23.75 100.00		1000 MT	Percent	800 1,250 6,500 27,500 600 8,000 44,650 10,100 2,500 3,450 44,429	Percent World T .02 .25 1.30 5.52 .01 1.61 2.03 .50
Kuwait Studi Arabia Abrdan Tripoli Fahrein Total East Indies Islands 25%GA & East Asia Northern Airica & Spi OEEC Countries	625 6,500 142 8,000 15,267 3,200	50.00 100.00 23.75 100.00		1000 MT	Percent	800 1,250 6,500 27,500 600 8,000 44,650 10,100 2,500 3,450 44,629 61,129	Percent World T .02 .25 1.30 5.52 .01 1.61 2.03 .50 .69 8.92
Kuwait Studi Arabia Abedan Tripoli Rahrein Total East Indies Islands 25%GA & East Asia Northern Airica & Spi	625 6,500 142 8,000 15,267 3,200	50.00 100.00 23.75 100.00		173 173	Percent 28.75	800 1,250 6,500 27,500 600 8,000 44,650 10,100 2,500 3,450 44,629 61,129	Percent World T .02 .25 1.30 5.52 .01 1.61 2.03 .50 8.92
Kuwait Studi Arebia Abrden Tripoli Rehrein Total East Indies Islands 25%GA & East Asia Northern Airica & Spi OFEC Countries	625 6,500 142 8,000 15,267 3,200	50.00 100.00 23.75 100.00		173 173 173 15,500	28.75	800 1,250 6,500 27,500 600 8,000 44,650 10,100 2,500 3,450 44,429 61,129	Percent World T .02 .25 1.30 5.52 .01 1.61 2.03 .50 8.92
Estern Hemisphere 25X6A Esst Kuwait Seudi Arabia Abrdan Tripoli Rahrein Total East Indies Islands 25X6A & Esst Asia Mortnern Airica & Spi ONEC Countries Jestern Hemisphere United States	625 6,500 142 8,000 15,267 3,200	50.00 100.00 23.75 100.00		173 173	Percent 28.75	800 1,250 6,500 27,500 600 8,000 44,650 10,100 2,500 3,450 44,629 61,129	Percent World T .02 .25 1.30 5.52 .01 1.61 2.03 .50 8.92
Kuwait Studi Arebia Abrdan Tripoli Rahrein Total East Indies Islands 25%GA & East Asia Mortnern Airica & Spi OEEC Countries Jestern Hemisphere United States Carribbean Exporting	625 6,500 142 8,000 15,267 3,200	50.00 100.00 23.75 100.00		173 173 173 15,500	28.75	800 1,250 6,500 27,500 600 8,000 44,650 10,100 2,500 3,450 44,629 61,129	Percent World T .02 .25 1.30 5.52 .01 1.61 2.03 .50 8.92 60.20 3.11 1.68
Kuwait Studi Arabia Abadan Tripoli Rahrein Total East Indies Islands 25%GA & East Asia Northern Airica & Spi OFEC Countries Sestern Hemisphere United States Carribbean Exporting Colombia	625 6,500 142 8,000 15,267 3,200 Areas 1,420	50.00 100.00 23.75 100.00 31.68		173 173 173 15,500	28.75	800 1,250 6,500 27,500 600 8,000 44,650 10,100 2,500 3,450 44,629 61,129 300,000 15,500 8,350	Percent World T .02 .25 1.30 5.52 .01 1.61 2.03 .50 .50 8.92 60.20 3.11 1.68
Kuwait Scudi Arabia Abadan Tripoli Fahrein Total East Indies Islands 25%GA & East Asia Northern Arrica & Spi ONEC Countries Sestern Hemisphere United States Carribbean Exporting Colombia Venezuela	625 6,500 142 8,000 15,267 3,200 3,200 Areas 1,420 7,007	50.00 100.00 23.75 100.00 31.68		1000 MT	28.75	800 1,250 6,500 27,500 8,000 44,650 10,100 2,500 3,450 44,429 61,129 300,000 15,500 8,350 1,420 12,250	Percent World T .02 .25 .1.30 5.52 .01 1.61 2.03 .50 .50 .50 .50 .50 .50 .50 .50 .50 .50
Kuwait Seudi Arabia Abrdan Tripoli Hahrein Total East Indies Islands 25%GA & East Asia Northern Airica & Spi OFEC Countries Sestern Hemisphere United States Carribbean Exporting Colombia	625 6,500 142 8,000 15,267 3,200 Areas 1,420	50.00 100.00 23.75 100.00 31.68		173 173 173 15,500	28.75	800 1,250 6,500 27,500 8,000 44,650 10,100 2,500 3,450 44,429 61,129 300,000 15,500 8,350 1,420 12,250	Percent World T .02 .25 .1.30 5.52 .01 1.61 2.03 .50 8.92 60.20 3.11 1.68 2.46
Ruwait Scudi Arabia Abadan Tripoli Fahrein Total East Indies Islands 25%GA & East Asia Northern Africa & Spi OEEC Countries estern Hemisphere United States Carribbean Exporting Colombia Venezuela Peru Ectedor	625 6,500 142 8,000 15,267 3,200 3,200 Areas 1,420 7,007	50.00 100.00 23.75 100.00 31.68		1000 MT	28.75 100.00 100.00	800 1,250 6,500 27,500 6,000 44,650 10,100 2,500 3,450 44,629 61,129 300,000 15,500 8,350 1,420 12,250 1,500	Percent World T
Estern Hemisphere 25%6A Esst Kuwmit Studi Arabia Abrdan Tripoli Fahrein Total East Indies Islands 25%6A & East Asia Northern Africa & Spi OFEC Countries (estern Hemisphere United States Carribbean Exporting Colombia Venezuela Feru Estador Trinidad	625 6,500 142 8,000 15,267 3,200 3,200 Areas 1,420 7,007 1,452	50.00 100.00 23.75 100.00 31.68		1000 MT	28.75 100.00 100.00	800 1,250 6,500 27,500 600 8,000 44,650 10,100 2,500 3,450 44,429 61,129 300,000 15,500 8,350 1,420 12,250 1,500	Percent World T .02 .25 .1.30 5.52 .01 1.61 2.03 .50 .69 8.92 60.20 3.11 1.68 2.46 .30 .00
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Ruwait Srudi Arebia Abrdan Tripoli Fahrein Total East Indies Islands 25%GA & East Asia Northern Africa & Spi OFEC Countries estern Hemisphere United States Carribbean Exporting Colombia Venezuela Peru Ectador	625 6,500 142 8,000 15,267 3,200 3,200 Areas 1,420 7,007 1,452	50.00 100.00 23.75 100.00 31.68		173 173 173 15,500 8,350	28.75 100.00 100.00	800 1,250 6,500 27,500 600 8,000 44,650 10,100 2,500 3,450 44,429 61,129 300,000 15,500 8,350 1,420 12,250 1,500 2,300 4,750 39,300	Percent World T .02 .25 1.30 5.52 .01 1.61 2.03 .50 8.92 60.20 3.11 1.68 2.46 .30
Estern Hemisphere 25%6A East Kuwait Saudi Arabia Abrdan Tripoli Rahrein Total East Indies Islands 25%6A & East Asia Northern Airica & Spi OPEC Countries estern Hemisphere United States Carribbean Exporting Colombia Venezuela Peru Ectador Trinded Uetherlands U Indies Total	625 6,500 142 8,000 15,267 3,200 3,200 Areas 1,420 7,007 1,452 21,000 30,870	50.00 100.00 23.75 100.00 31.68		1000 MT	28.75 100.00 100.00	800 1,250 6,500 27,500 600 8,000 44,650 10,100 2,500 3,450 4,429 61,129 300,000 15,500 8,350 1,420 12,250 1,500 230 4,750 39,300 383,300	Percent World T
Estern Hemisphere Zhida East Kuwait Saudi Arabia Abrdan Tripoli Rahrein Total East Indies Islands Sida & East Asia Northern Airlea & Spi OPEC Countries estern Hemisphere United States Carribbean Exporting Colombia Venezuela Peru Ectador Trinded Uetherlands U Indie Total Other Latin America	625 6,500 142 8,000 15,267 3,200 3,200 Areas 1,420 7,007 1,452	50.00 100.00 23.75 100.00 31.68		1000 MT	28.75 100.00 100.00	800 1,250 6,500 27,500 600 8,000 44,650 10,100 2,500 3,450 4,429 61,129 300,000 15,500 8,350 1,420 12,250 1,500 230 4,750 39,300 383,300 9,250	Percent World T
Kuwait Saudi Arabia Abrdan Tripoli Rahrein Total East Indies Islands 5x6A & East Asia Northern Airles & Spi ONEC Countries stern Hemisphere United States Carribbean Exporting Colombia Venezuela Peru Ectador Trinidad Metherlands M Indies Total	625 6,500 142 8,000 15,267 3,200 3,200 Areas 1,420 7,007 1,452 21,000 30,870	50.00 100.00 23.75 100.00 31.68		173 173 173 15,500 8,350	28.75 100.00 100.00	800 1,250 6,500 27,500 600 8,000 44,650 10,100 2,500 3,450 4,429 61,129 300,000 15,500 8,350 1,420 12,250 1,500 230 4,750 39,300 383,300	Percent World T
Ruwait Studi Arabia Abadan Tripoli Bahrein Total East Indies Islands 25%GA & East Asia Northern Airica & Spi OEEC Countries Carribbean Exporting Colombia Venezuela Peru Catador Trinidad Wetherlands & Indies Total Other Latin America Total	625 6,500 142 8,000 15,267 3,200 3,200 Areas 1,420 7,007 1,452	50.00 100.00 23.75 100.00 31.68		1000 MT	28.75 100.00 100.00	800 1,250 6,500 27,500 600 8,000 44,650 10,100 2,500 3,450 44,629 61,129 300,000 15,500 8,350 1,420 12,250 1,500 230 4,750 39,300 383,300 9,250 392,550	Percent World T
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TABLE V

LOSS OF IRANIAN OIL

(Millions of Units)

- 1. Production physical quantities (1950-51)
 - a. Crude

35 MT/Y (metric tons per year)

b. Refined

25 MT/Y

- 2. Loss of crude imports from Iran by Western Europe 7.5 MT/Y
- 3. Dollar element of cost in replaced crude 55
- 4. Loss of refinei products imported from Iran by Western Europe and Sterling Area 25 MT/Y
- Annual dollar cost of replacing refined (Item 4)
 \$\time{7}765-775\$
- 6. Gross dollar cost of replacing crude and refined (Items 3 and 5) \$\infty 820-830\$
- 7. Dollar savings equipment and services 110-120
- 8. Estimated net dollar cost annually (Item 6 minus Item 7) $\sqrt{7}10$

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TABLE VI

LOSS OF ALL MIDDLE EAST OIL

(Millions of Units)

1. Production - physical quantities (1950-51)

a. Crude

94.5 MT/Y

b. Refined

44.7 1T/Y

2. Loss of crude imports from Middle East by Western Europe

43.5 MT/Y

3. Dollar element in replaced crude

\$800

- 4. Loss of refined products imported from Middle East by Western Aurope and Sterling Area 38 MT/Y
- 5. Annual dollar cost of replacing refined (Item 4) \$1200
- 6. Gross dollar cost of replacing crude and refined (Items 3 and 5)
- 7. Dollar savings equipment and supplies, profits to Bahrien Petroleum Co., dollar element in goods furnished Middle East by Western Hurope, etc.
- 8. Estimated net dollar cost annually assuming no cutback in current raquirements (Item 6 minus Item 7)
- 9. Ten percent cutback would save

300